

## NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2014-15 Adjusted Base	Request		2015-17 Change Over Base Year Doubled		2014-15	Request		2016-17 Over 2014-15	
		2015-16	2016-17	Amount	%		2015-16	2016-17	Number	%
GPR	\$136,943,600	\$136,361,600	\$136,387,700	-\$1,137,900	- 0.4%	277.20	277.20	277.20	0.00	0.0%
FED	82,536,100	82,318,100	82,291,400	- 462,700	- 0.3	494.59	493.59	493.59	- 1.00	- 0.2
PR	35,497,700	35,971,400	35,971,400	947,400	1.3	247.14	247.14	247.14	0.00	0.0
SEG	<u>319,877,200</u>	<u>322,465,400</u>	<u>322,576,900</u>	<u>5,287,900</u>	0.8	<u>1,623.11</u>	<u>1,623.11</u>	<u>1,623.11</u>	<u>0.00</u>	0.0
TOTAL	\$574,854,600	\$577,116,500	\$577,227,400	\$4,634,700	0.4%	2,642.04	2,641.04	2,641.04	- 1.00	< - 0.1%
BR		\$21,000,000								

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$1,696,100 in 2015-16 and \$1,807,000 in 2016-17 with the deletion of 1.0 project position as follows: (a) -\$3,177,700 annually for turnover reduction (-\$289,800 GPR, -\$580,900 FED, -\$118,700 PR, and -\$2,188,300 SEG); (b) -\$1,133,500 (-\$235,000 GPR, -\$69,300 FED, and -\$829,200 SEG) in 2015-16 and -\$1,194,900 (-\$235,000 GPR, -\$130,700 FED, and -\$829,200 SEG) in 2016-17 with a reduction of 1.0 FED project position beginning in 2015-16 for removal of non-continuing elements from the base; (c) \$2,580,300 annually (\$807,500 GPR, \$385,200 FED, \$610,500 PR, and \$777,100 SEG) for full funding of continuing salaries and fringe benefits; (d) \$3,193,800 annually (\$8,000 PR and \$3,185,800 SEG) for overtime; and (e) \$233,200 (\$35,300 GPR, \$47,000 FED, and \$150,900 SEG) in 2015-16 and \$405,500 (\$61,400 GPR, \$81,700 FED, and \$262,400 SEG) in 2016-17 for full funding of lease and directed moves.

	Funding	Positions
GPR	\$662,100	0.00
FED	- 462,700	- 1.00
PR	999,600	0.00
SEG	<u>2,304,100</u>	<u>0.00</u>
Total	\$3,503,100	- 1.00

#### 2. PARKS AND SOUTHERN FORESTS LTE SUPPORT

SEG	\$645,000
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Request \$250,000 annually from the parks account and \$72,500 annually from the forestry account of the conservation fund to provide an estimated 23,800 LTE hours at multiple state park and southern forest properties (including 33 state parks, one state trail, and five southern forest properties). As permanent staff was eliminated (approximately 23 parks positions have been eliminated over the 2009-11 through 2013-15 biennia), and as workload increased from the addition of new campgrounds at several state properties, the Bureau of Parks has relied more heavily on LTE employees to cover increased workloads. While 2013 Act 20 provided funding of \$150,000 annually for 11,000 LTE hours at multiple state properties, the Department indicates

that additional LTEs remain necessary to alleviate ongoing workload issues in the most critical work units.

### **3. PARKS AND SOUTHERN FORESTS UTILITIES COSTS**

SEG	\$360,800
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Request \$180,400 annually (\$97,500 from parks and \$82,900 from forestry) to support increased costs associated with fuel and utilities at newer state park, trail and southern state forest properties. Since fiscal year 2000, the Department has added multiple properties to the state park (and trail) and southern forest system including six new state park and southern forest properties (Cross Plains State Park, Glacial Heritage Area-Conservation Park, Straight Lake State Park, Menominee River State Recreational Area, Sauk Prairie State Recreational Area, and Kettle Moraine Springs State Forest- Mukwonago River Unit), as well as the Hank Aaron State Trail, 76 state Ice Age Trail Areas and new facilities at multiple properties. In addition, electrified campsites have been added at several parks and southern forests, which have increased utility costs (2009 Act 28 increased the cap on electrical state park campsites maintained by the Department from 25% to 30%). From 2007 to 2014, parks and southern forests utility and fuel expenditures increased by \$304,000. Despite increased funding provided in the 2007-09 and 2009-11 biennial budgets, the Department expects a shortfall of \$180,400 annually in utility and fuel costs for the parks and southern forest system properties.

### **4. PARKS AND SOUTHERN FORESTS NEW PROPERTY OPERATIONS**

SEG	\$300,000
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Request \$150,000 annually (\$100,000 parks account and \$50,000 forestry account) for limited-term employees, utilities, fleet expenses, and supplies to operate several new facilities and campgrounds at 14 state parks, four state recreation areas, three southern state forests and one state trail.

### **5. FORESTRY OPERATIONS FUNDING**

SEG	\$401,000
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Request \$200,500 forestry SEG annually for forestry operations costs including utilities, rent, and limited-term employees. Funding would include: (1) \$88,000 annually to support operational cost increases related to energy rate increases for existing and new facilities expected to become operational during the 2013-15 biennium including: \$25,000 for state forest properties including a new forest headquarters on the Flambeau River State Forest and four to five new smaller support buildings at other state forest properties including storage buildings, toilet-shower buildings, and a new Park Entrance and Visitor Station at Black River State Forest; (b) \$24,000 for warm storage buildings (including five new buildings); (c) \$20,500 for ranger stations (including three new); (d) \$7,500 for cold storage, (e) \$6,000 for the forest health laboratory, and (f) \$5,000 for airplane hangars; (2) \$52,500 annually to support operating costs for seven mechanic shops; (3) \$30,000 annually for communication equipment upgrades in forest fire suppression equipment (mobile repeaters and cell phone boosters); (4) \$15,000 annually for increased rental payments at non-state facilities that house forestry staff; and (5) \$15,000

annually to cover credit card point of sale merchant fees (paid when a credit card is used at state forests and nurseries).

## **6. FORESTRY GRANT APPROPRIATIONS**

Request the conversion of three forestry grant appropriations to continuing appropriations. This includes two biennial appropriations and an annual appropriation for the following: (a) grants under the Wisconsin forest landowner grant program (WFLGP); (b) urban forestry grants; and (c) forest fire suppression (forest fire protection) grants.

The Department indicates that grants from the two biennial appropriations are awarded for up to a two-year period and reimbursed to grantees based on actual project costs. The Department encumbers funds for the 24 month grants based on cost estimates. However, according to the Department, these cost estimates may not match actual costs due to changing circumstances, unforeseen problems, or switches in contractors. While the biennial appropriations allow for some flexibility in addressing funding discrepancies during the first year of the biennium, when the actual cost is less than the initial estimated cost, the remainder may only be reallocated if used within the same biennium from which the initial award originated. As a result, funds have lapsed to the balance of the forestry account at the close of each biennium. The request would allow these unspent funds to be reallocated to eligible grant recipients in future years and reduce the forestry account balance by the same amount.

## **7. STEWARDSHIP FUNDING FOR KETTLE MORAIN SPRINGS FISH HATCHERY**

Request that an additional \$14 million in existing Knowles-Nelson stewardship program bonding authority from the property development and local assistance subprogram be designated for infrastructure improvements to the Kettle Moraine Springs Fish Hatchery in Sheboygan County, including \$7 million in fiscal year 2016-17 and \$7 million in fiscal year 2017-18. Further, specify that s. 23.0917(5g) of the statutes, which prohibits the Department from obligating an unobligated amount appropriated for a subprogram in a given year in subsequent fiscal years, does not apply with respect to amounts obligated before July 1, 2018, for infrastructure improvements to the Kettle Moraine Springs fish hatchery. The Department indicates that they intended for the amount available for Department land acquisition to be reduced by a corresponding \$7 million in fiscal year 2016-17 and 2017-18 (\$16 million would be available for DNR land acquisition in fiscal year 2016-17 and 2017-18). Stewardship bonding authority would be provided as shown in the following table:

<u>Subprogram</u>	<u>2013 Act 20</u>		<u>Department Request</u>	
	<u>2014-15 and 2015-16</u>	<u>2016-17 through 2019-20</u>	<u>2016-17 and 2017-18</u>	<u>2018-19 and 2019-20</u>
<b>Land Acquisition</b>				
Department Acquisitions *	\$20,000,000	\$23,000,000	\$16,000,000	\$23,000,000
Grants to NCOs	12,000,000	12,000,000	12,000,000	12,000,000
BCPL Natural Areas	0	1,000,000	1,000,000	1,000,000
Subtotal	\$32,000,000	\$36,000,000	\$29,000,000	\$36,000,000
Recreational Boating Aids	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
<b>Property Development and Local Assistance</b>				
DNR Property Development**	\$7,000,000	\$5,500,000	\$5,500,000	\$5,500,000
Kettle Moraine Springs Fish Hatchery	7,000,000	0	7,000,000	0
Local Assistance Grants	6,000,000	6,000,000	6,000,000	6,000,000
Subtotal	\$20,000,000	\$11,500,000	\$18,500,000	\$11,500,000
Total	\$54,500,000	\$50,000,000	\$50,000,000	\$50,000,000

\*Includes grants for county forests and acquisitions for state trails and the Ice Age Trail.

\*\*Includes \$250,000 annually for grants to NCOs and friends groups.

2013 Act 20 2013 provides \$14 million for infrastructure improvements to the Kettle Moraine Springs fish hatchery from the property development and local assistance subprogram and specifies that DNR may obligate not more than \$7 million in fiscal year 2014-15 and \$7 million in 2015-16 for the project. The Act allows DNR to carry-forward the \$14 million allocation for the hatchery through June 30, 2017. Under the request, an additional \$14 million would be set aside from the property development and local assistance subprogram for infrastructure improvements to the Kettle Moraine Springs fish hatchery. Additionally, under the request, DNR would be able to carry-forward the \$28 million provided through fiscal year 2016-17 into fiscal year 2017-18, but the Department would not be able to obligate any of the \$28 million allocated for the project that was not obligated prior to July 1, 2018. While DNR is finalizing cost estimates on the project, published reports estimate total costs of approximately \$30 million.

## 8. WISCONSIN WALLEYE INITIATIVE FUNDING ADJUSTMENT

GPR	- \$1,800,000
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Request a reduction of \$900,000 annually to make adjustments to the GPR funding provided under 2013 Act 20 for the Wisconsin Walleye Initiative as shown in the following table.

### Wisconsin Walleye Initiative Funding

	<u>2013 Act 20</u>	<u>Annually</u>	<u>DNR Request</u>	
	<u>2013-14</u>	<u>Beginning</u>	<u>Annually</u>	<u>Annual</u>
		<u>in 2014-15</u>	<u>Beginning</u>	<u>Funding</u>
			<u>in 2015-16</u>	<u>Adjustment</u>
Hatchery Operations	\$626,000	\$1,230,300	\$1,230,300	\$0
Population Maintenance and Enhancement Grants	1,000,000	1,000,000	0	-1,000,000
Contracts	0	500,000	600,000	100,000
UW Extension Private Fish Farms	160,000	0	0	0
Tribal Youth Program	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Total	\$2,036,000	\$2,980,300	\$2,080,300	-\$900,000

The Department requests that the \$1 million GPR annually originally provided for walleye population maintenance and enhancement grants (infrastructure/capacity grants) to municipal fish hatcheries be discontinued. The grant recipients are contractually obligated to sell an agreed upon number of large walleye fingerlings back to DNR for three years after their project is completed (contingent on available funding). Anticipated costs of the large walleye fingerlings exceed the \$500,000 annually provided under 2013 Act 20 for these contracts. Under the contracts, DNR plans to purchase 290,000 large walleye fingerlings in fall, 2015, at a cost of \$543,000, and 368,500 large walleye fingerlings in fall, 2016 at a cost of \$753,200. The Department requests that an additional \$100,000 GPR be provided annually for the contracts.

### 9. CONSERVATION WARDEN COMPUTERS

SEG	\$577,000
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Request \$288,500 in 2015-16 and 2016-17, on a one-time basis, for the first two years of a four-year master lease for 225 tablets and associated equipment for law enforcement wardens (including all permanent credentialed conservation wardens and deputy warden water guards). The tablets would replace the current laptops which were funded through a four-year master lease under the last two biennial budgets. Expenditure authority is requested as follows:

	<u>Annual Amount</u>
Conservation Fund	
Fish and Wildlife Account	\$218,400
Boat Account	34,300
ATV Account	14,700
Water Resources Account	3,800
Environmental Fund	<u>17,300</u>
Total	\$288,500

## 10. CONSERVATION WARDEN OVERTIME

SEG	\$366,800
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Request \$183,400 annually for conservation warden overtime costs. Expenditure authority is requested as follows:

	<u>Annual Amount</u>
Conservation Fund	
Fish and Wildlife Account	\$138,800
Boat Account	21,900
ATV Account	9,400
Water Resources Account	2,400
Environmental Fund	<u>10,900</u>
Total	\$183,400

## 11. RECREATIONAL VEHICLE MOTOR FUEL TAX TRANSFERS

Although not included in the DNR request, it should be noted that the Department of Transportation included a reestimate of transfers to the conservation fund related to recreational vehicle fuel tax formulas for motorboats, snowmobiles, all-terrain vehicles (ATV), and utility terrain vehicles (UTV) as shown in the following table. In total almost \$3.6 million in additional transfers to the conservation fund would be expected in 2015-17 as a result of recreational vehicle registration estimates in 2015-16 and of estimated motor fuel tax law changes requested by DOT that would affect the 2016-17 transfers.

	<u>2015-16</u>			<u>2016-17</u>		
	<u>Base</u>	<u>Change</u>	<u>Total</u>	<u>Base</u>	<u>Change</u>	<u>Total</u>
Motorboat Transfer	\$12,978,000	-\$95,200	\$12,882,800	\$12,978,000	\$1,989,400	\$14,967,400
Snowmobile Transfer	5,076,900	203,500	5,280,400	5,076,900	1,058,000	6,134,900
ATV Transfer	1,908,100	-35,600	1,872,500	1,908,100	267,400	2,175,500
UTV Transfer	<u>65,700</u>	<u>73,400</u>	<u>139,100</u>	<u>65,700</u>	<u>95,900</u>	<u>161,600</u>
Total	\$20,028,700	\$146,100	\$20,174,800	\$20,028,700	\$3,410,700	\$23,439,400

## 12. BUREAU OF ENDANGERED RESOURCES NAME CHANGE

Request that most references to "endangered resources" or the endangered resources program under the statutes be modified to recognize that the Bureau of Endangered Resources has been renamed by DNR to the Bureau of Natural Heritage Conservation. Most references where "endangered resources" appears would be replaced with "natural heritage conservation."

While the titles and the definitions under the voluntary income tax check-off statutes would include natural heritage conservation, the specific references to the "endangered resources" check-off would remain. No change would be made to the references to endangered resources related to special license plates issued to "persons interested in supporting endangered resources". (Two special endangered resources license plates are currently available for an

additional fee of \$25 which is credited to the endangered resources account of the conservation fund, one depicting a wolf and one depicting a badger).

### **13. DAM SAFETY BONDING**

BR	\$4,000,000
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Request \$4,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No estimate of debt service payments is made for the biennium (debt service on \$4 million in general obligation bonds could be expected at roughly \$280,000 annually for 20 years once all bonds are issued).

DNR has administered the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to any dam owner to voluntarily remove their dam. A total of \$24.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million in each of the last three biennia.

### **14. CONTAMINATED SEDIMENT BONDING**

BR	\$5,000,000
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Request \$5,000,000 BR to increase, from \$32 million to \$37 million, the amount of SEG-supported general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from Lake Michigan or Lake Superior or their tributaries if the project is in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment. Debt service costs are paid from the segregated environmental management account of the environmental fund. No estimate of debt service payments is made for the biennium (debt service on \$5 million in general obligation bonds could be expected at roughly \$350,000 annually for 20 years once all bonds are issued).

### **15. EXPAND WELL COMPENSATION GRANT ELIGIBILITY**

Request an expansion of eligibility for well compensation grants to allow a city, village, town, county or special purpose district to receive a well compensation grant of up to 75% of eligible costs to properly fill and seal residential or livestock water supply wells with no clear owners. DNR anticipates it would receive two to four applications per year under the provision, with estimated costs of \$800 to \$1,000 per well.

DNR currently provides grants for replacing, reconstructing, or treating contaminated wells that serve certain private residences or are used for watering livestock. Grant recipients must have family income that does not exceed \$65,000. The maximum grant is the lesser of 75% of eligible costs or \$12,000. Grant recipients must pay a \$250 copayment, unless the grant is for well abandonment. The appropriation is funded from the segregated environmental management account of the environmental fund. Expenditures totaled \$130,800 in 2012-13 and

\$88,600 in 2013-14. The program is appropriated \$276,000 in 2014-15 in a continuing appropriation, and also has an available unencumbered carry-in balance of \$587,300.

**16. TARGETED RUNOFF MANAGEMENT PROGRAM BONDING**

BR	\$7,000,000
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Request \$7 million in SEG-supported general obligation bonding for the targeted runoff management (TRM) program. Bond proceeds under the TRM program support the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. State funding under TRM typically may fund 70% of most projects, up to a cap of \$150,000 or \$1 million, depending on the scope of the project. Debt service on TRM bonds is paid by the nonpoint account of the environmental fund. No estimate of debt service payments is made for the biennium (debt service on \$7 million in general obligation bonds could be expected at roughly \$490,000 annually for 20 years once all bonds are issued). The last four biennial budget acts have each authorized \$7 million in additional bonding for the program.

**17. URBAN NONPOINT SOURCE AND MUNICIPAL FLOOD CONTROL BONDING**

BR	\$5,000,000
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Request \$5 million in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. No estimate of debt service payments is made for the biennium (debt service on \$5 million in general obligation bonds could be expected at roughly \$350,000 annually for 20 years once all bonds are issued).

The UNPS program supports structural projects to improve state surface water quality by managing storm water runoff in urban settings. The MFC program provides funding for flood-control or flood-proofing projects in urban settings, including property acquisition and structure removal. UNPS construction projects typically are eligible for 50% state funding up to \$150,000. MFC projects are generally eligible for 70% state funding, up to 20% of the amount available each two-year grant cycle. The 2013-15 budget act authorized \$5 million in new joint bonding authority for the programs. DNR determines allocations to each program. Debt service for UNPS/MFC bonding authority is supported by the nonpoint account of the environmental fund.